

Membership Balance Plan  
Defense Business Board

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(d), established the Defense Business Board (“the Board”), a discretionary advisory committee.
2. Mission/Function: The Board shall provide the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations on overall DoD management and governance from a private sector perspective.
3. Points of View: The Board shall be composed of no more than 35 members. The members must possess the following: (a) a proven track record of sound judgment and business acumen in leading or governing large, complex private sector corporations or organizations and (b) a wealth of top-level, global business experience in the areas of executive management, corporate governance, audit and finance, human resources, economics, technology, or healthcare.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters expected to be handled by the Board. The Department has found that viewing the complex issues facing the DoD through a multidisciplinary advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues which inform subsequent policy decisions.

Each Board member, based upon his or her individual and professional experiences, provides his or her best judgment on the matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Those who are full-time or permanent part-time Federal officers or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members. The DoD, unless otherwise ordered by statute or Presidential directive, does not use representative members on DoD established or supported advisory committees.

Membership will be fairly balanced in terms of points of view represented and the functions to be performed by the Board. The Board’s membership balance is not static and the Secretary of Defense or the Deputy Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense.

4. Other Balance Factors: None.
5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals with extensive backgrounds in private sector management. Potential candidates are identified through nomination by current Board members and the professional staff of the Office of the Secretary of Defense and, other professionals within the DoD in consultation with Office of General Counsel of the Department of Defense (OGC DoD) and the Office of the Special Assistant to the Secretary of Defense for White House Liaison.

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Once potential candidates are identified, the DCMO, as the Board's administrative sponsor and in consultation with the Deputy Secretary of Defense, reviews the credentials of each individual and narrows the list of candidates. During his or her review, the DCMO strives to achieve a balance between the professional credentials of the individuals and the near-term subject matters that the Deputy Secretary of Defense has indicated will be reviewed by the Board.

Once the DCMO has narrowed the list of candidates and before formal nomination to the Secretary of Defense, the list of potential candidates undergoes a review by the OGC DoD and the Office of the Advisory Committee Management Officer (ACMO) to ensure compliance with federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the DCMO discusses the potential candidates with the Secretary of Defense or the Deputy Secretary of Defense and requests authorization to proceed with the nominations. Pursuant to DoD policy, only the Secretary of Defense and the Deputy Secretary of Defense can authorize the appointment of individuals to serve on DoD established or supported advisory committees.

Following the Secretary of Defense or the Deputy Secretary of Defense authorization and the DCMO's subsequent administrative certification, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members. Consistent with Deputy Secretary of Defense policy and the authority delegated to the ACMO by the Assistant DCMO, the ACMO is authorized to administratively certify the annual renewal of appointment of Board members previously appointed in accordance with DoD policies and procedures. Consistent with authority delegated to DoD Sponsors, the DCMO will appoint the Board's leadership from among the membership previously approved in accordance with DoD policies and procedures and, in doing so, will determine the leader's term of service, which will not exceed the member's approved term of service.

All Board appointments are for a one-to-four-year term of service, with annual renewals. No member, unless authorized by the Secretary of Defense or the Deputy Secretary of Defense, may serve more than two consecutive terms of service on the Board, including its subcommittees, or serve on more than two DoD Federal advisory committees at one time.

Membership vacancies for the Board and any subcommittees will be filled in the same manner as described in the previous five paragraphs.

6. Subcommittee Balance: The DoD, when necessary and consistent with the Board's mission and DoD policies and procedures, may establish subcommittees, task forces, or working groups to support the Board.

Individuals considered for appointment to any subcommittee of the Board may come from the Board itself or from new nominees, as recommended by the DCMO and based upon the subject matters under consideration. Pursuant to Secretary of Defense policy, the DCMO is authorized to administratively certify the appointment of subcommittee members if the Secretary of Defense or the Deputy Secretary of Defense has previously authorized the individual's appointment to the Board or another DoD advisory committee. If this prior authorization has not occurred, then the individual's

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subcommittee appointment must first be authorized by the Secretary of Defense or the Deputy Secretary of Defense and subsequently administratively certified by the DCMO.

Subcommittee members will be appointed for a term of service of one-to-four years, subject to annual renewals; however, no member shall serve more than two consecutive terms of service on the subcommittee. Subcommittee members, if not full-time or permanent part-time Federal officers or employees, will be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as SGE members. Subcommittee members who are full-time or permanent part-time Federal officers or employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as RGE members.

7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Committees, Boards, and Commissions (79 F.R. 27482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: July 3, 2016